## Senator Evan J. Vickers proposes the following substitute bill:

| 1      | CANNABIDIOL PRODUCT ACT   |
|--------|---|
| 2      | 2018 GENERAL SESSION  |
| 3      | STATE OF UTAH   |
| 4      | Chief Sponsor: Evan J. Vickers  |
| 5      | House Sponsor: Brad M. Daw  |
| 6<br>7 | LONG TITLE  |
| 8      | General Description:  |
| 9      | This bill enacts and amends provisions related to cannabidiol products.                                 |
| 10     | Highlighted Provisions:   |
| 11     | This bill:  |
| 12     | <ul><li>defines terms;</li></ul>  |
| 13     | <ul> <li>authorizes the Department of Agriculture and Food to make rules regarding</li> </ul>           |
| 14     | cannabidiol;  |
| 15     | <ul> <li>authorizes the cultivation, production, and possession of hemp and the sale and use</li> </ul> |
| 16     | of cannabidiol products under certain circumstances;  |
| 17     | <ul> <li>directs the Department of Agriculture and Food to issue licenses and enforce</li> </ul>        |
| 18     | operating requirements;   |
| 19     | <ul> <li>grants the Department of Agriculture and Food, the Division of Occupational and</li> </ul>     |
| 20     | Professional Licensing, the Department of Financial Institutions, and the                               |
| 21     | Department of Health rulemaking authority;  |
| 22     | <ul><li>creates an exemption from sales and use tax for sales of cannabidiol products;</li></ul>        |
| 23     | <ul><li>imposes a special tax on the sale of cannabidiol products;</li></ul>                            |
| 24     | <ul> <li>creates the Cannabinoid Product Restricted Account;</li> </ul>                                 |
| 25     | <ul> <li>amends provisions related to driving with a measurable metabolite of cannabinoid</li> </ul>    |



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     medicine; and
27

    prohibits a court from discriminating against a parent in a child custody case based

28
     on the parent's legal use of a cannabidiol product.
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     Money Appropriated in this Bill:
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            None
31
     Other Special Clauses:
32
            This bill provides a special effective date.
33
     Utah Code Sections Affected:
34
     AMENDS:
35
            4-41-101, as enacted by Laws of Utah 2014, Chapter 25
36
            4-41-102, as enacted by Laws of Utah 2014, Chapter 25
37
            41-6a-517, as last amended by Laws of Utah 2017, Chapter 446
38
             58-37-3.6, as enacted by Laws of Utah 2017, Chapter 398
39
            58-37f-203, as last amended by Laws of Utah 2015, Chapters 89 and 326
             78A-6-508, as last amended by Laws of Utah 2014, Chapter 409
40
41
     ENACTS:
            4-41-201, Utah Code Annotated 1953
42
43
            4-41-202, Utah Code Annotated 1953
44
            4-41-203, Utah Code Annotated 1953
45
            4-41-204. Utah Code Annotated 1953
46
            4-43-101, Utah Code Annotated 1953
47
            4-43-102, Utah Code Annotated 1953
48
            4-43-201, Utah Code Annotated 1953
49
            4-43-202, Utah Code Annotated 1953
50
            4-43-203, Utah Code Annotated 1953
51
            4-43-301, Utah Code Annotated 1953
52
            4-43-401, Utah Code Annotated 1953
53
            4-43-402, Utah Code Annotated 1953
54
            4-43-501, Utah Code Annotated 1953
55
            4-43-502, Utah Code Annotated 1953
56
            4-43-503, Utah Code Annotated 1953
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# 1st Sub. (Green) S.B. 130

| 86       | CHAPTER 41. HEMP AND CANNABIDIOL ACT  |
|----------|---|
| 85       | Section 1. Section <b>4-41-101</b> is amended to read:                                  |
| 84       | Be it enacted by the Legislature of the state of Utah:                                  |
| 83       |   |
| 82       | 59-29-108, Utah Code Annotated 1953   |
| 81       | <b>59-29-107</b> , Utah Code Annotated 1953   |
| 80       | <b>59-29-106</b> , Utah Code Annotated 1953   |
| 79       | <b>59-29-105</b> , Utah Code Annotated 1953   |
| 78       | <b>59-29-104</b> , Utah Code Annotated 1953   |
| 77       | <b>59-29-103</b> , Utah Code Annotated 1953   |
| 76       | <b>59-29-102</b> , Utah Code Annotated 1953   |
| 75       | <b>59-29-101</b> , Utah Code Annotated 1953   |
| 74       | <b>59-12-104.8</b> , Utah Code Annotated 1953   |
| 73       | <b>58-88-104</b> , Utah Code Annotated 1953   |
| 72       | 58-88-103, Utah Code Annotated 1953   |
| 71       | 58-88-102, Utah Code Annotated 1953   |
| 70       | 58-88-101, Utah Code Annotated 1953   |
| 69       | 58-68-808, Utah Code Annotated 1953   |
| 68       | 58-67-808, Utah Code Annotated 1953   |
| 67       | 26-62-202, Utah Code Annotated 1953  26-62-202, Utah Code Annotated 1953                |
| 65<br>66 | <b>26-62-103</b> , Utah Code Annotated 1953 <b>26-62-201</b> , Utah Code Annotated 1953 |
| 64       | 26-62-102, Utah Code Annotated 1953   |
| 63       | 26-62-101, Utah Code Annotated 1953   |
| 62       | 4-43-801, Utah Code Annotated 1953  |
| 61       | 4-43-703, Utah Code Annotated 1953  |
| 60       | 4-43-702, Utah Code Annotated 1953  |
| 59       | 4-43-701, Utah Code Annotated 1953  |
| 58       | 4-43-602, Utah Code Annotated 1953  |
| 57       | 4-43-601, Utah Code Annotated 1953  |
|          |   |

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Part 1. Industrial Hemp Research

| 88  | 4-41-101. Title.  |
|-----|---|
| 89  | (1) This chapter is known as the "Hemp and Cannabidiol Act."                                    |
| 90  | (2) This part is known as "Industrial Hemp Research [Act]."                                     |
| 91  | Section 2. Section 4-41-102 is amended to read:   |
| 92  | 4-41-102. Definitions.  |
| 93  | For purposes of this chapter:   |
| 94  | (1) "Cannabidiol product" means a chemical compound extracted from a hemp product               |
| 95  | <u>that:</u>  |
| 96  | (a) is processed into a medicinal dosage form; and  |
| 97  | (b) contains less than 0.3% tetrahydrocannabinol by weight before processing and no             |
| 98  | more than a 10:1 ratio of cannabidiol to tetrahydrocannabinol after processing.                 |
| 99  | [(1)] (2) "Industrial hemp" means any part of a cannabis plant, whether growing or not,         |
| 100 | with a concentration of less than 0.3% tetrahydrocannabinol by weight.                          |
| 101 | [(2)] (3) "Industrial hemp certificate" means a certificate issued by the department to a       |
| 102 | higher education institution to grow or cultivate industrial hemp under Subsection 4-41-103(1). |
| 103 | (4) "Medicinal dosage form" means the same as that term is defined in Section                   |
| 104 | <u>26-62-102.</u>   |
| 105 | Section 3. Section 4-41-201 is enacted to read:   |
| 106 | Part 2. Cannabidiol Product Act   |
| 107 | <u>4-41-201.</u> Title.   |
| 108 | This part is known as "Cannabidiol Product Act."  |
| 109 | Section 4. Section <b>4-41-202</b> is enacted to read:  |
| 110 | 4-41-202. Cannabidiol sales and use authorized.   |
| 111 | (1) The sale or use of a cannabidiol product is prohibited except as provided in this           |
| 112 | chapter or unless the product is approved by the United States Food and Drug Administration.    |
| 113 | (2) The department shall keep a list of registered cannabidiol products that the                |
| 114 | department has determined, pursuant to Section 4-41-203, are safe for human consumption.        |
| 115 | (3) A person may sell or use a cannabidiol product that is in the list of registered            |
| 116 | cannabidiol products described in Subsection (2).   |
| 117 | Section 5. Section 4-41-203 is enacted to read:   |
| 118 | 4-41-203. Standards for registration.   |

| 119 | (1) The department shall determine by rule, made in accordance with Title 63G,                 |
|-----|--|
| 120 | Chapter 3, Utah Administrative Rulemaking Act, standards for a registered cannabidiol          |
| 121 | product, including standards for:  |
| 122 | (a) testing to ensure the product is safe for human consumption;                               |
| 123 | (b) accurate labeling; and   |
| 124 | (c) any other issue the department considers necessary.  |
| 125 | (2) The department shall set a fee for a registered cannabidiol product, in accordance         |
| 126 | with Section 4-2-103.  |
| 127 | (3) The fee described in Subsection (2) may be paid by a producer, manufacturer, or            |
| 128 | distributor of a cannabidiol product, but a cannibidiol product may not be registered with the |
| 129 | department until the fee is paid.  |
| 130 | (4) The department shall set an administrative fine, larger than the fee described in          |
| 131 | Subsection (2), for a person who sells a cannabidiol product that is not registered by the     |
| 132 | department.  |
| 133 | Section 6. Section 4-41-204 is enacted to read:  |
| 134 | 4-41-204. Department duties.   |
| 135 | (1) The department shall work with the state's federal congressional delegation and            |
| 136 | relevant federal agencies to seek a federal waiver from the Controlled Substances Act, in      |
| 137 | whatever form that waiver may take, for a cannabidiol product produced in:                     |
| 138 | (a) compliance with the rules established pursuant to Subsection 4-41-203(1); or               |
| 139 | (b) another state with similarly stringent rules, as determined by the department, to the      |
| 140 | rules established pursuant to Subsection 4-41-203(1).  |
| 141 | (2) The department shall report to the Legislature:  |
| 142 | (a) on the rules established pursuant to Subsection 4-41-203(1) by October 31, 2018;           |
| 143 | <u>and</u>   |
| 144 | (b) in the event the department is successful in procuring a federal waiver.                   |
| 145 | (3) The department may seize and destroy any cannabidiol product offered for sale in           |
| 146 | this state from a person that is not registered with the department.                           |
| 147 | (4) The department shall assess the fine described in Subsection 4-41-203(4) against           |
| 148 | any person who offers an unregistered cannabidiol product for sale in this state.              |
| 149 | Section 7. Section <b>4-43-101</b> is enacted to read:   |

| 150 | CHAPTER 43. CANNABIDIOL PRODUCERS   |
|-----|---|
| 151 | Part 1. General Provisions  |
| 152 | <u>4-43-101.</u> Title.   |
| 153 | This chapter is known as "Cannabidiol Producers."   |
| 154 | Section 8. Section 4-43-102 is enacted to read:   |
| 155 | 4-43-102. Definitions.  |
| 156 | As used in this chapter:  |
| 157 | (1) "Agent" means an employee or independent contractor of an entity.                     |
| 158 | (2) "Cannabidiol laboratory" means a person that:   |
| 159 | (a) conducts a chemical or other analysis of a cannabidiol product; or                    |
| 160 | (b) possesses a cannabidiol product with the intent to conduct a chemical or other        |
| 161 | analysis of the cannabidiol product.  |
| 162 | (3) "Cannabidiol processor" means a person that:  |
| 163 | (a) manufactures a hemp-grade product into a cannabidiol product;                         |
| 164 | (b) purchases or possesses a hemp-grade product with the intent to manufacture a          |
| 165 | cannabidiol product; or   |
| 166 | (c) sells or intends to sell a cannabidiol product to a cannabidiol-qualified pharmacy.   |
| 167 | (4) "Cannabidiol product" means the same as that term is defined in Section 4-41-102.     |
| 168 | (5) "Cannabidiol-qualified pharmacy" means a facility that:                               |
| 169 | (a) sells a cannabidiol product at retail to a patient with a written recommendation from |
| 170 | the patient's physician; and  |
| 171 | (b) complies with any rules issued by the Division of Professional Licensing under        |
| 172 | Section 58-88-104.  |
| 173 | (6) "Cannabinoid Product Restricted Account" means the account created in Section         |
| 174 | <u>4-43-801.</u>  |
| 175 | (7) "Hemp cultivator" means a person licensed by the department to grow hemp.             |
| 176 | (8) "Medical dosage form" means the same as that term is defined in Section               |
| 177 | <u>26-62-102.</u>   |
| 178 | (9) "Physician" means the same as that term is defined in Section 26-62-102.              |
| 179 | Section 9. Section 4-43-201 is enacted to read:   |
| 180 | Part 2. Cannabidiol Producer License  |

| 181 | 4-43-201. Cannabidiol processor Cannabidiol laboratory License Renewal.                  |
|-----|--|
| 182 | (1) A person may not act as a cannabidiol processor or a cannabidiol laboratory          |
| 183 | without a cannabidiol producer license issued by the department in accordance with this  |
| 184 | chapter.   |
| 185 | (2) A person may submit an application to the department for a cannabidiol producer      |
| 186 | license of the class of:   |
| 187 | (a) cannabidiol processor; or  |
| 188 | (b) cannabidiol laboratory.  |
| 189 | (3) An applicant for a license described in Subsection (2) shall submit to the           |
| 190 | department:  |
| 191 | (a) an application in a form determined by the department that includes information      |
| 192 | required by the department by rule made in accordance with Title 63G, Chapter 3, Utah    |
| 193 | Administrative Rulemaking Act;   |
| 194 | (b) a bond, as required by Section 4-43-203, for each license for which the person       |
| 195 | applies;   |
| 196 | (c) an application fee established by the department, in accordance with Section         |
| 197 | 63J-1-504, in an amount equal to the amount necessary to cover the department's cost to  |
| 198 | implement this chapter; and  |
| 199 | (d) an operating plan that complies with minimum operating standards determined by       |
| 200 | the department by rule made in accordance with Title 63G, Chapter 3, Utah Administrative |
| 201 | Rulemaking Act, that includes a plan for:  |
| 202 | (i) security;  |
| 203 | (ii) a cannabidiol processor:  |
| 204 | (A) cannabidiol extraction; and  |
| 205 | (B) processing technique; and  |
| 206 | (iii) a cannabidiol laboratory:  |
| 207 | (A) testing method; and  |
| 208 | (B) testing capability.  |
| 209 | (4) The department shall require a separate license and separate license fee for each    |
| 210 | physical location of a cannabidiol processor and cannabidiol laboratory.                 |
| 211 | (5) The department may not issue a license to operate a hemp cultivator or a hemp        |

| 212 | producer to a person:  |
|-----|--|
| 213 | (a) that holds a license for or has an ownership interest in a cannabidiol-qualified           |
| 214 | pharmacy in the state; or  |
| 215 | (b) that otherwise has an interest in a cannabidiol-qualified pharmacy, as determined by       |
| 216 | the department.  |
| 217 | (6) The department may not issue a license to operate a cannabidiol laboratory to a            |
| 218 | person:  |
| 219 | (a) that holds a license for or has an ownership interest in a cannabidiol-qualified           |
| 220 | pharmacy, a cannabidiol processor, or a hemp cultivator in the state; or                       |
| 221 | (b) that otherwise has an interest in a cannabidiol-qualified pharmacy, a cannabidiol          |
| 222 | processor, or a hemp cultivator as determined by the department.                               |
| 223 | (7) The department may establish additional application criteria and procedures by rule        |
| 224 | made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.              |
| 225 | Section 10. Section <b>4-43-202</b> is enacted to read:  |
| 226 | <u>4-43-202.</u> Renewal.  |
| 227 | Except as provided in Subsection (2), the department shall renew the license of a              |
| 228 | cannabidiol processor or cannabidiol laboratory licensed under Section 4-43-201 every two      |
| 229 | years if, at the time of renewal:  |
| 230 | (1) the cannabidiol processor or cannabidiol laboratory meets the requirements of              |
| 231 | Section 4-43-201; and  |
| 232 | (2) the cannabidiol processor or cannabidiol laboratory pays the department a license          |
| 233 | renewal fee in an amount determined by the department in accordance with Section 63J-1-504.    |
| 234 | Section 11. Section 4-43-203 is enacted to read:   |
| 235 | 4-43-203. Bond required for license.   |
| 236 | (1) A cannabidiol processor or cannabidiol laboratory licensed under Section 4-43-201          |
| 237 | shall post a \$100,000 cash bond or surety bond, payable to the department.                    |
| 238 | (2) A cannabidiol processor or cannabidiol laboratory licensed under Section 4-43-201          |
| 239 | shall maintain the bond described in Subsection (1) for as long as the processor or laboratory |
| 240 | continues to operate.  |
| 241 | (3) The department shall require a bond posted under this section to be:                       |
| 242 | (a) in a form approved by the attorney general; and  |

| 243 | (b) conditioned upon the cannabidiol processor or cannabidiol laboratory's compliance            |
|-----|--|
| 244 | with this chapter.   |
| 245 | (4) If a bond described in Subsection (1) is canceled due to a processor's or laboratory's       |
| 246 | negligence, the department may assess the producer or laboratory a \$300 reinstatement fee.      |
| 247 | (5) A processor or laboratory may not withdraw any part of a bond posted under                   |
| 248 | Subsection (1):  |
| 249 | (a) during the period when the license is in effect; or  |
| 250 | (b) while a license revocation proceeding is pending against the processor or                    |
| 251 | laboratory.  |
| 252 | (6) A processor or laboratory forfeits a bond posted under Subsection (1) if the                 |
| 253 | processor's or laboratory's license is revoked.  |
| 254 | (7) The department may, without revoking a license, make a claim against a bond                  |
| 255 | posted under Subsection (1) for money the processor or laboratory owes the department under      |
| 256 | this chapter.  |
| 257 | Section 12. Section 4-43-301 is enacted to read:   |
| 258 | Part 3. Hemp Producer Agents   |
| 259 | 4-43-301. Cannabidiol processor and laboratory agents.   |
| 260 | (1) A cannabidiol processor or cannabidiol laboratory licensed under Section 4-43-201            |
| 261 | shall maintain a current list of each agent of the cannabidiol processor or cannabidiol          |
| 262 | <u>laboratory.</u>   |
| 263 | (2) A cannabidiol processor or cannabidiol laboratory shall submit the list described in         |
| 264 | Subsection (1) to the department before:   |
| 265 | (a) January 1 of each year; and  |
| 266 | (b) July 1 of each year.   |
| 267 | (3) The department may audit the list described in Subsection (1) at any time, at                |
| 268 | random, in order to determine that the list is accurate.   |
| 269 | (4) A cannabidiol processor or cannabidiol laboratory is guilty of an infraction if the          |
| 270 | cannabidiol processor or cannabidiol laboratory fails to maintain an accurate list of each agent |
| 271 | of the cannabidiol processor or cannabidiol laboratory in accordance with this section.          |
| 272 | Section 13. Section 4-43-401 is enacted to read:   |
| 273 | Part 4. Cannabidiol Processor or Cannabidiol Laboratory  |

| 274 | General Operating Requirements  |
|-----|---|
| 275 | 4-43-401. Cannabidiol processor or cannabidiol laboratory General operating                   |
| 276 | requirements.   |
| 277 | (1) (a) A cannabidiol processor or cannabidiol laboratory shall operate in accordance         |
| 278 | with the operating plan provided to the department under Section 4-43-201.                    |
| 279 | (b) A cannabidiol processor or cannabidiol laboratory shall notify the department             |
| 280 | within 30 days of any change in the cannabidiol processor or cannabidiol laboratory operation |
| 281 | plan.   |
| 282 | (c) The department shall review a cannabidiol processor's or cannabidiol laboratory's         |
| 283 | operating plan for compliance with state law and administrative rules.                        |
| 284 | (d) A cannabidiol processor or cannabidiol laboratory may not operate under an                |
| 285 | operating plan until the operating plan is reviewed and approved by the department under      |
| 286 | Subsection (1)(c).  |
| 287 | (2) The department shall establish physical facility standards for a cannabidiol              |
| 288 | processor or cannabidiol laboratory by rule made in accordance with Title 63G, Chapter 3,     |
| 289 | Utah Administrative Rulemaking Act.   |
| 290 | Section 14. Section 4-43-402 is enacted to read:  |
| 291 | 4-43-402. Cannabidiol processor or cannabidiol laboratory Inspection by                       |
| 292 | department.   |
| 293 | (1) Subject to Subsection (2), the department shall inspect the records and facility of a     |
| 294 | cannabidiol processor or cannabidiol laboratory in order to determine if the cannabidiol      |
| 295 | processor or cannabidiol laboratory complies with the requirements of this chapter.           |
| 296 | (2) The department may inspect the records and facility of a cannabidiol processor or         |
| 297 | cannabidiol laboratory:   |
| 298 | (a) as many as four times per year, scheduled or unscheduled; and                             |
| 299 | (b) if the department has reason to believe that the cannabidiol processor or                 |
| 300 | cannabidiol laboratory has violated the law, at any time, scheduled or unscheduled.           |
| 301 | Section 15. Section 4-43-501 is enacted to read:  |
| 302 | Part 5. Cannabidiol Processor Operating Requirements  |
| 303 | 4-43-501. Cannabidiol processor Operating requirements.                                       |
| 304 | (1) A cannabidiol processor shall ensure that a cannabidiol product that the cannabidiol      |

| 305 | processor sells or provides to a cannabidiol-qualified pharmacy complies with the requirements |
|-----|--|
| 306 | of this part.  |
| 307 | (2) A cannabidiol processor shall operate in a facility with a carbon filtration system        |
| 308 | for air output.  |
| 309 | (3) The department shall establish, by rule made in accordance with Title 63G, Chapter         |
| 310 | 3, Utah Administrative Rulemaking Act, physical facility standards for a cannabidiol processor |
| 311 | Section 16. Section <b>4-43-502</b> is enacted to read:  |
| 312 | 4-43-502. Cannabidiol product.   |
| 313 | A cannabidiol processor may only produce a cannabidiol product in a medicinal dosage           |
| 314 | <u>form.</u>   |
| 315 | Section 17. Section 4-43-503 is enacted to read:   |
| 316 | 4-43-503. Cannabidiol medicine Labeling and packaging.   |
| 317 | (1) A cannabidiol processor shall ensure that any cannabidiol product that the                 |
| 318 | cannabidiol processor distributes to a cannabidiol-qualified pharmacy has a label or package   |
| 319 | that:  |
| 320 | (a) clearly displays the cannabidiol profile of the product; and                               |
| 321 | (b) has a unique batch identifier that identifies the unique manufacturing process when        |
| 322 | the cannabidiol product was manufactured.  |
| 323 | (2) In addition to Subsection (1), the department shall establish, by rule made in             |
| 324 | accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, labeling and         |
| 325 | packaging standards for a cannabidiol product produced by a cannabidiol processor.             |
| 326 | Section 18. Section <b>4-43-601</b> is enacted to read:  |
| 327 | Part 6. Cannabidiol Laboratory Operating Requirements  |
| 328 | 4-43-601. Hemp and cannabidiol product testing.  |
| 329 | (1) A cannabidiol laboratory may not operate unless the cannabidiol laboratory is              |
| 330 | capable of accurately testing a cannabidiol product as described in this section.              |
| 331 | (2) A cannabidiol laboratory shall, before cannabidiol is offered for sale at a                |
| 332 | cannabidiol-qualified pharmacy, test the cannabidiol as described in this section.             |
| 333 | (3) A cannabidiol laboratory shall determine if a cannabidiol product contains, in an          |
| 334 | amount that is harmful to human health:  |
| 335 | <u>(a) mold;</u>   |

| 336 | (b) fungus;  |
|-----|--|
| 337 | (c) pesticides;  |
| 338 | (d) other microbial contaminants; or   |
| 339 | (e) another harmful substance identified by the department under Subsection (5).               |
| 340 | (4) For a cannabidiol product that is manufactured using a process that involves               |
| 341 | extraction using hydrocarbons, a cannabidiol laboratory shall test the cannabidiol product for |
| 342 | residual solvents.   |
| 343 | (5) The department shall determine by rule made in accordance with Title 63G,                  |
| 344 | Chapter 3, Utah Administrative Rulemaking Act:   |
| 345 | (a) the amount of substances described in Subsection (3) and the amount of residual            |
| 346 | solvents that are safe for human consumption;  |
| 347 | (b) additional cannabidiol testing that a cannabidiol laboratory is required to perform;       |
| 348 | <u>and</u>   |
| 349 | (c) minimum standards for a cannabidiol laboratory's testing methods and procedures.           |
| 350 | Section 19. Section <b>4-43-602</b> is enacted to read:  |
| 351 | 4-43-602. Reporting Inspections.   |
| 352 | (1) A cannabidiol laboratory shall report the results of each product test to the              |
| 353 | department.  |
| 354 | (2) A cannabidiol laboratory shall determine if the results of a lab test indicate that a      |
| 355 | cannabidiol product batch is unsafe for human consumption.                                     |
| 356 | (3) If a cannabidiol laboratory makes a determination described in Subsection (2), the         |
| 357 | cannabidiol laboratory may not release the batch to a cannabidiol processor or a               |
| 358 | cannabidiol-qualified pharmacy until the department has an opportunity to respond to the       |
| 359 | cannabidiol laboratory within a period of time determined by the department.                   |
| 360 | (4) (a) If the department determines that a cannabidiol product batch is unsafe for            |
| 361 | human consumption, the department shall destroy the product batch.                             |
| 362 | (b) If the department determines that a cannabidiol product batch was not cultivated in        |
| 363 | accordance with this title, the department may seize, embargo, or destroy the cannabidiol      |
| 364 | product batch.   |
| 365 | (5) The department shall establish, by rule made in accordance with Title 63G, Chapter         |
| 366 | 3, Utah Administrative Rulemaking Act, the amount of time that a cannabidiol laboratory is     |

| 307 | required to hold a batch under Subsection (3).   |
|-----|--|
| 368 | (6) The department may conduct a test to:  |
| 369 | (a) determine the accuracy of a cannabidiol laboratory's:                                |
| 370 | (i) cannabidiol product test results; or   |
| 371 | (ii) analytical method; or   |
| 372 | (b) validate a cannabidiol laboratory's testing methods.                                 |
| 373 | Section 20. Section <b>4-43-701</b> is enacted to read:                                  |
| 374 | Part 7. Enforcement  |
| 375 | 4-43-701. Enforcement Fine Citation.   |
| 376 | (1) The department may, for a violation of this chapter by a cannabidiol prossessor or   |
| 377 | cannabidiol laboratory:  |
| 378 | (a) revoke a license;  |
| 379 | (b) refuse to renew a license;   |
| 380 | (c) assess an administrative penalty; or   |
| 381 | (d) take any other appropriate administrative action.                                    |
| 382 | (2) The department shall deposit an administrative penalty imposed under this section    |
| 383 | into the Cannabinoid Product Restricted Account established in Section 4-43-801.         |
| 384 | (3) (a) The department may take an action described in Subsection (3)(b) if the          |
| 385 | department concludes, upon inspection or investigation, that:                            |
| 386 | (i) the person has violated the provisions of this chapter or a rule made under this     |
| 387 | chapter; or  |
| 388 | (ii) the person prepared a cannabidiol product batch in a manner, or such that the batch |
| 389 | contains a substance, that poses a threat to human health.                               |
| 390 | (b) If the department makes the determination about a person described in Subsection     |
| 391 | (3)(a)(i), the department shall:   |
| 392 | (i) issue the person a citation in writing;  |
| 393 | (ii) attempt to negotiate a stipulated settlement; or                                    |
| 394 | (iii) direct the person to appear before an adjudicative proceeding conducted under      |
| 395 | Title 63G, Chapter 4, Administrative Procedures Act.                                     |
| 396 | (c) If the department makes the determination about a person described in Subsection     |
| 397 | (3)(a)(ii), the department may:  |

| 398 | (i) seize, embargo, or destroy a hemp or cannabidiol product batch; and                                |
|-----|--|
| 399 | (ii) direct the person to appear before an adjudicative proceeding conducted under Title               |
| 400 | 63G, Chapter 4, Administrative Procedures Act.   |
| 401 | (4) The department may, for a person subject to an uncontested citation, a stipulated                  |
| 402 | settlement, or a finding of a violation in an adjudicative proceeding under this section:              |
| 403 | (a) assess the person a fine in an amount determined by the department in accordance                   |
| 404 | with Section 63J-1-504; or   |
| 405 | (b) order the person to cease and desist from the action that creates a violation.                     |
| 406 | (5) The department may not revoke a license issued pursuant to this chapter via a                      |
| 407 | citation.  |
| 408 | (6) If, within 15 calendar days after the day on which a department serves a citation for              |
| 409 | a violation of this chapter, the person that is the subject of the citation fails to request a hearing |
| 410 | to contest the citation, the citation becomes the basis of the department's final order.               |
| 411 | (7) The department may, for a person that fails to comply with a citation under this                   |
| 412 | section:   |
| 413 | (a) refuse to issue or renew the person's license; or  |
| 414 | (b) suspend, revoke, or place on probation the person's license.                                       |
| 415 | Section 21. Section <b>4-43-702</b> is enacted to read:  |
| 416 | 4-43-702. Report to the Legislature.   |
| 417 | The department shall report, each year before November 1, to the Health and Human                      |
| 418 | Services Interim Committee, on the department's administration and enforcement of this                 |
| 419 | <u>chapter.</u>  |
| 420 | Section 22. Section 4-43-703 is enacted to read:   |
| 421 | 4-43-703. Fees Deposit into Cannabinoid Product Restricted Account.                                    |
| 422 | The department shall deposit fees the department collects under this chapter into the                  |
| 423 | Cannabinoid Product Restricted Account created in Section 4-43-801.                                    |
| 424 | Section 23. Section 4-43-801 is enacted to read:   |
| 425 | 4-43-801. Cannabinoid Product Restricted Account Creation.   |
| 426 | (1) There is created in the General Fund a restricted account known as the                             |
| 427 | "Cannabinoid Product Restricted Account."  |
| 428 | (2) The account created in this section is funded from:  |

| 429 | (a) money deposited by the State Tax Commission under Title 59, Chapter 29,                        |
|-----|--|
| 430 | Cannabidiol Product Tax Act;   |
| 431 | (b) money deposited into the account by the Department of Agriculture and Food under               |
| 432 | Title 4, Chapter 43, Cannabidiol Producers;  |
| 433 | (c) appropriations made to the account by the Legislature; and                                     |
| 434 | (d) the interest described in Subsection (3).  |
| 435 | (3) Interest earned on the account is deposited into the account.                                  |
| 436 | (4) The money in the account may only be used to fund, upon appropriation:                         |
| 437 | (a) the cost of state regulation of cannabidiol products under:                                    |
| 438 | (i) Title 4, Chapter 43, Cannabidiol Producers;  |
| 439 | (ii) Title 26, Chapter 62, Cannabidiol Product Act;  |
| 440 | (iii) Title 59, Chapter 29, Cannabidiol Product Tax Act; and                                       |
| 441 | (b) the cost to the state for investigation and enforcement related to cannabinoid                 |
| 442 | products.  |
| 443 | (5) Subject to appropriation and available funds in the restricted account, at the end of          |
| 444 | fiscal year 2020 and fiscal year 2021, the director of the Division of Finance shall transfer into |
| 445 | the General Fund from the Cannabinoid Product Restricted Account an amount equal to the            |
| 446 | General Fund appropriation in fiscal year 2018 and fiscal year 2019, respectively, to implement    |
| 447 | the programs described in Subsection (4).  |
| 448 | Section 24. Section <b>26-62-101</b> is enacted to read:   |
| 449 | CHAPTER 62. CANNABIDIOL PRODUCT ACT  |
| 450 | Part 1. General Provisions   |
| 451 | <u>26-62-101.</u> Title.   |
| 452 | This chapter is known as the "Cannabidiol Product Act."  |
| 453 | Section 25. Section 26-62-102 is enacted to read:  |
| 454 | <b>26-62-102.</b> Definitions.   |
| 455 | (1) "Agent" means an employee or independent contractor of an entity.                              |
| 456 | (2) "Cannabidiol laboratory" means the same as that term is defined in Section                     |
| 457 | <u>4-43-102.</u>   |
| 458 | (3) "Cannabidiol product" means the same as that term is defined in Section 4-41-102.              |
| 459 | (4) "Cannabidiol-qualified pharmacy" means the same as that term is defined in                     |

| 460 | <u>Section 4-43-102.</u>  |
|-----|---|
| 461 | (5) "Cannabinoid Product Restricted Account" means the account created in Section           |
| 462 | <u>4-43-801.</u>  |
| 463 | (6) "Medicinal dosage form" means a qualifying dosage form for a cannabidiol product        |
| 464 | under Section 26-62-103.  |
| 465 | (7) "Physician" means an individual who is licensed to practice:                            |
| 466 | (a) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or                     |
| 467 | (b) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical              |
| 468 | Practice Act.   |
| 469 | Section 26. Section 26-62-103 is enacted to read:   |
| 470 | 26-62-103. Medicinal dosage form.   |
| 471 | (1) For the purpose of this chapter, any of the following is a qualifying medicinal         |
| 472 | dosage form for a cannabidiol product:  |
| 473 | (a) a tablet;   |
| 474 | (b) a capsule;  |
| 475 | (c) a concentrated oil;   |
| 476 | (d) a liquid suspension;  |
| 477 | (e) a transdermal preparation; and  |
| 478 | (f) a sublingual preparation.   |
| 479 | (2) A patient may not purchase, use, or possess a cannabidiol product unless the            |
| 480 | cannabidiol product is prepared in a medicinal dosage form.                                 |
| 481 | (3) A cannabidiol-qualified pharmacy may not purchase, possess, or sell a cannabidiol       |
| 482 | product unless the cannabidiol product is prepared in a medicinal dosage form.              |
| 483 | (4) The department may recommend that the Legislature approve the use of an                 |
| 484 | additional medicinal dosage form.   |
| 485 | Section 27. Section <b>26-62-201</b> is enacted to read:                                    |
| 486 | Part 2. Miscellaneous   |
| 487 | <b>26-62-201.</b> Insurance coverage.   |
| 488 | An insurance carrier, third-party administrator, or employer is not required to provide     |
| 489 | reimbursement for treatment of an individual with a cannabinoid product under this chapter. |
| 490 | Section 28. Section <b>26-62-202</b> is enacted to read:                                    |

| 491 | <b>26-62-202.</b> Report to the Legislature.  |
|-----|---|
| 492 | The department shall, before November 1 each year, report to the Health and Human                   |
| 493 | Services Interim Committee on the department's administration and enforcement of this               |
| 494 | chapter.  |
| 495 | Section 29. Section 41-6a-517 is amended to read:   |
| 496 | 41-6a-517. Definitions Driving with any measurable controlled substance in the                      |
| 497 | body Penalties Arrest without warrant.  |
| 498 | (1) As used in this section:  |
| 499 | (a) "Controlled substance" means the same as that term is defined in Section 58-37-2.               |
| 500 | (b) "Practitioner" means the same as that term is defined in Section 58-37-2.                       |
| 501 | (c) "Prescribe" means the same as that term is defined in Section 58-37-2.                          |
| 502 | (d) "Prescription" means the same as that term is defined in Section 58-37-2.                       |
| 503 | (2) In cases not amounting to a violation of Section 41-6a-502, a person may not                    |
| 504 | operate or be in actual physical control of a motor vehicle within this state if the person has any |
| 505 | measurable controlled substance or metabolite of a controlled substance in the person's body.       |
| 506 | (3) It is an affirmative defense to prosecution under this section that the controlled              |
| 507 | substance was:  |
| 508 | (a) involuntarily ingested by the accused;  |
| 509 | (b) prescribed by a practitioner for use by the accused or recommended by a physician               |
| 510 | for use by the accused; or  |
| 511 | (c) otherwise legally ingested.   |
| 512 | (4) (a) A person convicted of a violation of Subsection (2) is guilty of a class B                  |
| 513 | misdemeanor.  |
| 514 | (b) A person who violates this section is subject to conviction and sentencing under                |
| 515 | both this section and any applicable offense under Section 58-37-8.                                 |
| 516 | (5) A peace officer may, without a warrant, arrest a person for a violation of this                 |
| 517 | section when the officer has probable cause to believe the violation has occurred, although not     |
| 518 | in the officer's presence, and if the officer has probable cause to believe that the violation was  |
| 519 | committed by the person.  |
| 520 | (6) The Driver License Division shall, if the person is 21 years of age or older on the             |
| 521 | date of arrest:   |

522 (a) suspend, for a period of 120 days, the driver license of a person convicted under 523 Subsection (2) of an offense committed on or after July 1, 2009; or 524 (b) revoke, for a period of two years, the driver license of a person if: 525 (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and 526 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009, 527 and within a period of 10 years after the date of the prior violation. 528 (7) The Driver License Division shall, if the person is 19 years of age or older but 529 under 21 years of age on the date of arrest: 530 (a) suspend, until the person is 21 years of age or for a period of one year, whichever is 531 longer, the driver license of a person convicted under Subsection (2) of an offense committed 532 on or after July 1, 2011; or 533 (b) revoke, until the person is 21 years of age or for a period of two years, whichever is 534 longer, the driver license of a person if: 535 (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and 536 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009, 537 and within a period of 10 years after the date of the prior violation. 538 (8) The Driver License Division shall, if the person is under 19 years of age on the date 539 of arrest: 540 (a) suspend, until the person is 21 years of age, the driver license of a person convicted 541 under Subsection (2) of an offense committed on or after July 1, 2009; or 542 (b) revoke, until the person is 21 years of age, the driver license of a person if: (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and 543 544 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009, 545 and within a period of 10 years after the date of the prior violation. 546 (9) The Driver License Division shall subtract from any suspension or revocation 547 period the number of days for which a license was previously suspended under Section 53-3-223 or 53-3-231, if the previous suspension was based on the same occurrence upon 548 549 which the record of conviction is based. 550 (10) The Driver License Division shall: 551 (a) deny, suspend, or revoke a person's license for the denial and suspension periods in 552 effect prior to July 1, 2009, for a conviction of a violation under Subsection (2) that was

- committed prior to July 1, 2009; or
- (b) deny, suspend, or revoke the operator's license of a person for the denial,
- suspension, or revocation periods in effect from July 1, 2009, through June 30, 2011, if:
- 556 (i) the person was 20 years of age or older but under 21 years of age at the time of arrest; and
- 558 (ii) the conviction under Subsection (2) is for an offense that was committed on or after 559 July 1, 2009, and prior to July 1, 2011.
  - (11) A court that reported a conviction of a violation of this section for a violation that occurred on or after July 1, 2009, to the Driver License Division may shorten the suspension period imposed under Subsection (7)(a) or (8)(a) prior to completion of the suspension period if the person:
    - (a) completes at least six months of the license suspension;
- (b) completes a screening;

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- 566 (c) completes an assessment, if it is found appropriate by a screening under Subsection 567 (11)(b);
  - (d) completes substance abuse treatment if it is found appropriate by the assessment under Subsection (11)(c);
  - (e) completes an educational series if substance abuse treatment is not required by the assessment under Subsection (11)(c) or the court does not order substance abuse treatment;
  - (f) has not been convicted of a violation of any motor vehicle law in which the person was involved as the operator of the vehicle during the suspension period imposed under Subsection (7)(a) or (8)(a);
  - (g) has complied with all the terms of the person's probation or all orders of the court if not ordered to probation; and
  - (h) (i) is 18 years of age or older and provides a sworn statement to the court that the person has not consumed a controlled substance not prescribed by a practitioner for use by the person or unlawfully consumed alcohol during the suspension period imposed under Subsection (7)(a) or (8)(a); or
  - (ii) is under 18 years of age and has the person's parent or legal guardian provide an affidavit or other sworn statement to the court certifying that to the parent or legal guardian's knowledge the person has not consumed a controlled substance not prescribed by a practitioner

- for use by the person or unlawfully consumed alcohol during the suspension period imposed under Subsection (7)(a) or (8)(a).
  - (12) If the court shortens a person's license suspension period in accordance with the requirements of Subsection (11), the court shall forward the order shortening the person's license suspension period prior to the completion of the suspension period imposed under Subsection (7)(a) or (8)(a) to the Driver License Division.
    - (13) (a) The court shall notify the Driver License Division if a person fails to:
  - (i) complete all court ordered screening and assessment, educational series, and substance abuse treatment; or
    - (ii) pay all fines and fees, including fees for restitution and treatment costs.
  - (b) Upon receiving the notification, the division shall suspend the person's driving privilege in accordance with Subsections 53-3-221(2) and (3).
    - (14) The court:
- (a) shall order supervised probation in accordance with Section 41-6a-507 for a person convicted under Subsection (2); and
- (b) may order a person convicted under Subsection (2) to participate in a 24-7 sobriety program as defined in Section 41-6a-515.5 if the person is 21 years of age or older.
- (15) (a) A court that reported a conviction of a violation of this section to the Driver License Division may shorten the suspension period imposed under Subsection (6) before completion of the suspension period if the person is participating in or has successfully completed a 24-7 sobriety program as defined in Section 41-6a-515.5.
- (b) If the court shortens a person's license suspension period in accordance with the requirements of this Subsection (15), the court shall forward to the Driver License Division the order shortening the person's suspension period.
- (c) The court shall notify the Driver License Division if a person fails to complete all requirements of a 24-7 sobriety program.
- (d) Upon receiving the notification described in Subsection (15)(c), the division shall suspend the person's driving privilege in accordance with Subsections 53-3-221(2) and (3).
  - Section 30. Section **58-37-3.6** is amended to read:
- 58-37-3.6. Exemption for possession or distribution of a cannabinoid product or expanded cannabinoid product pursuant to an approved study.

| 615 | (1) As used in this section:  |
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| 616 | (a) "Cannabidiol product" means the same as that term is defined in Section 4-41-102.             |
| 617 | [(a)] (b) "Cannabinoid product" means a product intended for human ingestion that:                |
| 618 | (i) contains an extract or concentrate that is obtained from cannabis;                            |
| 619 | (ii) is prepared in a medicinal dosage form; and  |
| 620 | (iii) contains at least 10 units of cannabidiol for every one unit of tetrahydrocannabinol.       |
| 621 | [(b)] (c) "Cannabis" means any part of the plant cannabis sativa, whether growing or              |
| 622 | not.  |
| 623 | [(c)] (d) "Drug paraphernalia" means the same as that term is defined in Section                  |
| 624 | 58-37a-3.   |
| 625 | [(d)] (e) "Expanded cannabinoid product" means a product intended for human                       |
| 626 | ingestion that:   |
| 627 | (i) contains an extract or concentrate that is obtained from cannabis;                            |
| 628 | (ii) is prepared in a medicinal dosage form; and  |
| 629 | (iii) contains less than 10 units of cannabidiol for every one unit of                            |
| 630 | tetrahydrocannabinol.   |
| 631 | [(e)] (f) "Medicinal dosage form" means:  |
| 632 | (i) a tablet;   |
| 633 | (ii) a capsule;   |
| 634 | (iii) a concentrated oil;   |
| 635 | (iv) a liquid suspension;   |
| 636 | (v) a transdermal preparation; or   |
| 637 | (vi) a sublingual preparation.  |
| 638 | [(f)] (g) "Tetrahydrocannabinol" means a substance derived from cannabis that meets               |
| 639 | the description in Subsection 58-37-4(2)(a)(iii)(AA).   |
| 640 | (2) Notwithstanding any other provision of this chapter[ <del>-</del> ;]:                         |
| 641 | (a) an individual who possesses or distributes a cannabinoid product or an expanded               |
| 642 | cannabinoid product is not subject to the penalties described in this title for the possession or |
| 643 | distribution of marijuana or tetrahydrocannabinol to the extent that the individual's possession  |
| 644 | or distribution of the cannabinoid product or expanded cannabinoid product complies with          |
| 645 | Title 26. Chapter 61. Cannabinoid Research Act[-]:  |

| 646 | (b) an individual who grows, processes, possesses, transports, or distributes                        |
|-----|--|
| 647 | cannabidiol for medicinal use or a hemp-grade product that is intended to be processed into          |
| 648 | cannabidiol for medicinal use, is not subject to the penalties described in this title to the extent |
| 649 | that the individual's growth, processing, possession, transportation, or distribution of the         |
| 650 | cannabidiol or hemp-grade product is in compliance with Title 4, Chapter 43, Cannabidiol             |
| 651 | Producers; and   |
| 652 | (c) a person who processes, possesses, or sells cannabidiol is not subject to the                    |
| 653 | penalties described in this title if:  |
| 654 | (i) the person is a cannabidiol-qualified pharmacy; or   |
| 655 | (ii) the person is an individual whose physician has recommended use of the                          |
| 656 | cannabidiol and the individual purchased the cannabidiol from a cannabidiol-qualified                |
| 657 | pharmacy.  |
| 658 | Section 31. Section <b>58-37f-203</b> is amended to read:  |
| 659 | 58-37f-203. Submission, collection, and maintenance of data.   |
| 660 | (1) (a) The division shall implement on a statewide basis, including non-resident                    |
| 661 | pharmacies as defined in Section 58-17b-102, the following two options for a pharmacist to           |
| 662 | submit information:  |
| 663 | (i) real-time submission of the information required to be submitted under this part to              |
| 664 | the controlled substance database; and   |
| 665 | (ii) 24-hour daily or next business day, whichever is later, batch submission of the                 |
| 666 | information required to be submitted under this part to the controlled substance database.           |
| 667 | (b) (i) On and after January 1, 2016, a pharmacist shall comply with either:                         |
| 668 | (A) the submission time requirements established by the division under Subsection                    |
| 669 | (1)(a)(i); or  |
| 670 | (B) the submission time requirements established by the division under Subsection                    |
| 671 | (1)(a)(ii).  |
| 672 | (ii) Prior to January 1, 2016, a pharmacist may submit information using either option               |
| 673 | under this Subsection (1).   |
| 674 | (c) The division shall comply with Title 63G, Chapter 6a, Utah Procurement Code.                     |
| 675 | (2) (a) The pharmacist in charge of the drug outlet where a controlled substance is                  |
| 676 | dispensed shall submit the data described in this section to the division:                           |

| 677 | (i) in accordance with the requirements of this section;  |
|-----|---|
| 678 | (ii) in accordance with the procedures established by the division; and                           |
| 679 | (iii) in the format established by the division.  |
| 680 | (b) A dispensing medical practitioner licensed under Chapter 17b, Part 8, Dispensing              |
| 681 | Medical Practitioner and Dispensing Medical Practitioner Clinic Pharmacy, shall comply with       |
| 682 | the provisions of this section and the dispensing medical practitioner shall assume the duties of |
| 683 | the pharmacist under this chapter.  |
| 684 | (3) The pharmacist described in Subsection (2) shall, for each controlled substance               |
| 685 | dispensed by a pharmacist under the pharmacist's supervision other than those dispensed for an    |
| 686 | inpatient at a health care facility, submit to the division the following information:            |
| 687 | (a) the name of the prescribing practitioner;   |
| 688 | (b) the date of the prescription;   |
| 689 | (c) the date the prescription was filled;   |
| 690 | (d) the name of the individual for whom the prescription was written;                             |
| 691 | (e) positive identification of the individual receiving the prescription, including the           |
| 692 | type of identification and any identifying numbers on the identification;                         |
| 693 | (f) the name of the controlled substance;   |
| 694 | (g) the quantity of the controlled substance prescribed;  |
| 695 | (h) the strength of the controlled substance;   |
| 696 | (i) the quantity of the controlled substance dispensed;   |
| 697 | (j) the dosage quantity and frequency as prescribed;  |
| 698 | (k) the name of the drug outlet dispensing the controlled substance; [and]                        |
| 699 | (l) the name of the pharmacist dispensing the controlled substance[:]; and                        |
| 700 | (m) in the case of a cannabidiol-qualified pharmacy dispensing a cannabidiol product:             |
| 701 | (i) the name of the recommending physician;   |
| 702 | (ii) the date of the recommendation;  |
| 703 | (iii) the date the recommendation was filled by the cannabidiol-qualfied pharmacy;                |
| 704 | (iv) the name of the individual for whom the recommendation was written; and                      |
| 705 | (v) any other information the division requires by rule, made in accordance with Title            |
| 706 | 63G, Chapter 3, Utah Administrative Rulemaking Act.   |
| 707 | (4) An individual whose records are in the database may obtain those records upon                 |

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| 708 | submission | of a | written | request to | the | division |
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- (5) (a) A patient whose record is in the database may contact the division in writing to request correction of any of the patient's database information that is incorrect. The patient shall provide a postal address for the division's response.
- (b) The division shall grant or deny the request within 30 days from receipt of the request and shall advise the requesting patient of its decision by mail postmarked within 35 days of receipt of the request.
- (c) If the division denies a request under this Subsection (5) or does not respond within 35 days, the patient may submit an appeal to the Department of Commerce, within 60 days after the postmark date of the patient's letter making a request for a correction under this Subsection (5).
- (6) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish submission requirements under this part, including the electronic format in which the information required under this section shall be submitted to the division.
- (7) The division shall ensure that the database system records and maintains for reference:
- (a) the identification of each individual who requests or receives information from the database;
  - (b) the information provided to each individual; and
  - (c) the date and time that the information is requested or provided.
- Section 32. Section **58-67-808** is enacted to read:
- 730 **58-67-808.** Recommendation of cannabidiol products.
  - (1) A physician may recommend the use of a cannabidiol product to a patient.
  - (2) It is not a breach of the applicable standard of care for a physician to recommend treatment with a cannabidiol product to an individual under this section.
- 734 (3) A physician who recommends treatment with a cannabidiol product to an 735 individual under this section may not, solely based on that recommendation, be subject to:
- 736 (a) civil liability;
- 737 (b) criminal liability; or
- 738 (c) licensure sanctions under this title.

| 739 | Section 33. Section <b>58-68-808</b> is enacted to read:                                   |
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| 740 | 58-68-808. Recommendation of cannibidiol products.   |
| 741 | (1) A physician may recommend the use of a cannbidiol product to a patient.                |
| 742 | (2) It is not a breach of the applicable standard of care for a physician to recommend     |
| 743 | treatment with a cannabidiol product to an individual under this section.                  |
| 744 | (3) A physician who recommends treatment with a cannabidiol product to an                  |
| 745 | individual under this section may not, solely based on that recommendation, be subject to: |
| 746 | (a) civil liability;   |
| 747 | (b) criminal liability; or   |
| 748 | (c) licensure sanctions under this title.  |
| 749 | Section 34. Section <b>58-88-101</b> is enacted to read:                                   |
| 750 | <b>CHAPTER 88. CANNABIDIOL-QUALIFIED PHARMACIES</b>  |
| 751 | Part 1. General Provisions   |
| 752 | <u>58-88-101.</u> Title.   |
| 753 | This chapter is known as "Cannabidiol-Qualified Pharmacies."                               |
| 754 | Section 35. Section <b>58-88-102</b> is enacted to read:                                   |
| 755 | <u>58-88-102.</u> Definitions.   |
| 756 | As used in this chapter:   |
| 757 | (1) "Cannabidiol-qualified pharmacy" means a pharmacy that sells cannabidiol at retail     |
| 758 | to a patient with a written recommendation from the patient's physician.                   |
| 759 | (2) "Physician" means an individual who is licensed to practice:                           |
| 760 | (a) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or                    |
| 761 | (b) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical             |
| 762 | Practice Act.  |
| 763 | Section 36. Section <b>58-88-103</b> is enacted to read:                                   |
| 764 | 58-88-103. Cannabidiol-qualified pharmacy requirements.                                    |
| 765 | (1) A pharmacy licensed in this state may become a cannabidiol-qualified pharmacy if       |
| 766 | <u>it:</u>   |
| 767 | (a) registers with the division, on a form and in a manner prescribed by the division;     |
| 768 | <u>and</u>   |
| 769 | (b) complies with all rules issued by the division under Section 58-88-104.                |

| 770 | (2) A cannabidiol-qualified pharmacy may sell a cannabidiol product to a patient if the        |
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| 771 | patient produces a written recommendation from the patient's physician.                        |
| 772 | Section 37. Section <b>58-88-104</b> is enacted to read:                                       |
| 773 | 58-88-104. Division to make rules.   |
| 774 | (1) A pharmacy that seeks to sell cannabidiol at retail shall do so in accordance with         |
| 775 | rules established by the division.   |
| 776 | (2) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah               |
| 777 | Administrative Rulemaking Act, governing:  |
| 778 | (a) the requirements for a pharmacy to become a cannabidiol-qualified pharmacy,                |
| 779 | including:   |
| 780 | (i) the manner in which a pharmacy registers with the division to become a                     |
| 781 | cannabidiol-qualified pharmacy;  |
| 782 | (ii) requirements for the division to accept or reject a pharmacy's registration as a          |
| 783 | cannabidiol-qualified pharmacy;  |
| 784 | (iii) the class of pharmacy that may become a cannabidiol-qualified pharmacy; and              |
| 785 | (iv) any other requirements the division considers reasonably necessary to implement           |
| 786 | its duties under this chapter; and   |
| 787 | (b) the manner in which a pharmacy may sell cannabidiol at retail.                             |
| 788 | Section 38. Section <b>59-12-104.8</b> is enacted to read:                                     |
| 789 | 59-12-104.8. Exemption from sales tax for cannabinoid products.                                |
| 790 | (1) As used in this section:   |
| 791 | (a) "Cannabidiol product" means the same as that term is defined in Section 4-41-102.          |
| 792 | (b) "Cannabidiol-qualified pharmacy" means the same as that term is defined in                 |
| 793 | Section 58-88-102.   |
| 794 | (2) In addition to the exemptions described in Section 59-12-104, the sale by a                |
| 795 | cannabinoid-qualified pharmacy of a cannabidiol product is not subject to the taxes imposed by |
| 796 | this chapter.  |
| 797 | Section 39. Section <b>59-29-101</b> is enacted to read:                                       |
| 798 | CHAPTER 29. CANNABIDIOL PRODUCT TAX ACT  |
| 799 | Part 1. General Provisions   |
| 800 | <u>59-29-101.</u> Title.   |

| 801 | This chapter is known as the "Cannabidiol Product Tax Act."                                    |
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| 802 | Section 40. Section <b>59-29-102</b> is enacted to read:                                       |
| 803 | <u>59-29-102.</u> Definitions.   |
| 804 | As used in this chapter:   |
| 805 | (1) "Cannabidiol product" means the same as that term is defined in Section 4-41-102.          |
| 806 | (2) "Cannabidiol-qualified pharmacy" means the same as that term is defined in                 |
| 807 | Section 58-88-102.   |
| 808 | (3) "Cannabinoid Product Restricted Account" means the account created in Section              |
| 809 | <u>4-43-801.</u>   |
| 810 | Section 41. Section <b>59-29-103</b> is enacted to read:                                       |
| 811 | 59-29-103. Imposition of tax Rate Administration.  |
| 812 | (1) There is imposed a tax on the retail purchaser of a cannabidiol product at a               |
| 813 | cannabidiol-qualified pharmacy in the state in an amount equal to 5.77% of amounts paid or     |
| 814 | charged for the cannabidiol product.   |
| 815 | (2) The commission shall administer, collect, and enforce the tax authorized under this        |
| 816 | chapter in accordance with the provisions of Chapter 1, General Taxation Policies, and Chapter |
| 817 | 12, Sales and Use Tax Act.   |
| 818 | Section 42. Section <b>59-29-104</b> is enacted to read:                                       |
| 819 | <b>59-29-104.</b> Collection of tax.   |
| 820 | A cannabidiol-qualified pharmacy shall:  |
| 821 | (1) collect the tax imposed by Section 59-29-103 from a cannabidiol product                    |
| 822 | purchaser; and   |
| 823 | (2) file a return with the commission and pay the tax calculated on the return to the          |
| 824 | commission:  |
| 825 | (a) quarterly on or before the last day of the month immediately following the last day        |
| 826 | of the previous calendar quarter if:   |
| 827 | (i) the cannabidiol-qualified pharmacy is required to file a quarterly sales and use tax       |
| 828 | return with the commission under Section 59-12-107; or   |
| 829 | (ii) the cannabidiol-qualified pharmacy is not required to file a sales and use tax return     |
| 830 | with the commission under Chapter 12, Sales and Use Tax Act; or                                |
| 831 | (b) monthly on or before the last day of the month immediately following the last day          |

| 832 | of the previous calendar month if the cannabidiol-qualified pharmacy is required to file a   |
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| 833 | monthly sales and use tax return with the commission under Section 59-12-108.                |
| 834 | Section 43. Section <b>59-29-105</b> is enacted to read:                                     |
| 835 | 59-29-105. Deposit of tax revenue.   |
| 836 | The commission shall deposit revenues generated by the tax imposed by this chapter           |
| 837 | into the Cannabinoid Product Restricted Account created in Section 4-43-801.                 |
| 838 | Section 44. Section <b>59-29-106</b> is enacted to read:                                     |
| 839 | <u>59-29-106.</u> Records.   |
| 840 | (1) A cannabidiol-qualified pharmacy shall maintain any record typically considered          |
| 841 | necessary to determine the amount of tax that the pharmacy is required to remit to the       |
| 842 | commission under this chapter.   |
| 843 | (2) The commission may require a cannabidiol-qualified pharmacy to keep any record           |
| 844 | the commission reasonably considers necessary to constitute sufficient evidence of the amoun |
| 845 | of tax the cannabidiol-qualified pharmacy is required to remit to the commission under this  |
| 846 | chapter:   |
| 847 | (a) by notice served upon the cannabidiol-qualified pharmacy; or                             |
| 848 | (b) by rule made in accordance with Title 63G, Chapter 3, Utah Administrative                |
| 849 | Rulemaking Act.  |
| 850 | (3) Upon notice by the commission, a cannabidiol-qualified pharmacy shall open the           |
| 851 | pharmacy's records for examination by the commission.  |
| 852 | Section 45. Section <b>59-29-107</b> is enacted to read:                                     |
| 853 | 59-29-107. Rulemaking authority.   |
| 854 | The commission may make rules in accordance with Title 63G, Chapter 3, Utah                  |
| 855 | Administrative Rulemaking Act, to:   |
| 856 | (1) implement the tax imposed by this chapter; and   |
| 857 | (2) enforce payment of the tax imposed by this chapter.                                      |
| 858 | Section 46. Section <b>59-29-108</b> is enacted to read:                                     |
| 859 | 59-29-108. Penalties and interest.   |
| 860 | A cannabidiol-qualified pharmacy that fails to comply with any provision of this             |
| 861 | chapter is subject to penalties and interest as provided in Sections 59-1-401 and 59-1-402.  |
| 862 | Section 47. Section <b>78A-6-508</b> is amended to read:                                     |

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#### 78A-6-508. Evidence of grounds for termination.

- (1) In determining whether a parent or parents have abandoned a child, it is prima facie evidence of abandonment that the parent or parents:
- (a) although having legal custody of the child, have surrendered physical custody of the child, and for a period of six months following the surrender have not manifested to the child or to the person having the physical custody of the child a firm intention to resume physical custody or to make arrangements for the care of the child;
- (b) have failed to communicate with the child by mail, telephone, or otherwise for six months;
  - (c) failed to have shown the normal interest of a natural parent, without just cause; or
  - (d) have abandoned an infant, as described in Subsection 78A-6-316(1).
- (2) In determining whether a parent or parents are unfit or have neglected a child the court shall consider, but is not limited to, the following circumstances, conduct, or conditions:
- (a) emotional illness, mental illness, or mental deficiency of the parent that renders the parent unable to care for the immediate and continuing physical or emotional needs of the child for extended periods of time;
- (b) conduct toward a child of a physically, emotionally, or sexually cruel or abusive nature;
- (c) habitual or excessive use of intoxicating liquors, controlled substances, or dangerous drugs that render the parent unable to care for the child;
- (d) repeated or continuous failure to provide the child with adequate food, clothing, shelter, education, or other care necessary for the child's physical, mental, and emotional health and development by a parent or parents who are capable of providing that care;
- (e) whether the parent is incarcerated as a result of conviction of a felony, and the sentence is of such length that the child will be deprived of a normal home for more than one year;
  - (f) a history of violent behavior; or
- (g) whether the parent has intentionally exposed the child to pornography or material harmful to a minor, as defined in Section 76-10-1201.
- 892 (3) Notwithstanding Subsection (2)(c), the court may not discriminate against a parent because of the parent's possession or consumption of a cannabidiol product, in accordance with

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| 894 | Title 26, | Chapter 62, | Cannabidiol | Product Act |
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|     |           |             |             |             |

- [(3)] (4) A parent who, legitimately practicing the parent's religious beliefs, does not provide specified medical treatment for a child is not, for that reason alone, a negligent or unfit parent.
- [(4)] (5) (a) Notwithstanding Subsection (2), a parent may not be considered neglectful or unfit because of a health care decision made for a child by the child's parent unless the state or other party to the proceeding shows, by clear and convincing evidence, that the health care decision is not reasonable and informed.
- (b) Nothing in Subsection [(4)] (5)(a) may prohibit a parent from exercising the right to obtain a second health care opinion.
- [(5)] (6) If a child has been placed in the custody of the division and the parent or parents fail to comply substantially with the terms and conditions of a plan within six months after the date on which the child was placed or the plan was commenced, whichever occurs later, that failure to comply is evidence of failure of parental adjustment.
  - [(6)] (7) The following circumstances constitute prima facie evidence of unfitness:
- (a) sexual abuse, sexual exploitation, injury, or death of a sibling of the child, or of any child, due to known or substantiated abuse or neglect by the parent or parents;
- (b) conviction of a crime, if the facts surrounding the crime are of such a nature as to indicate the unfitness of the parent to provide adequate care to the extent necessary for the child's physical, mental, or emotional health and development;
- (c) a single incident of life-threatening or gravely disabling injury to or disfigurement of the child;
- (d) the parent has committed, aided, abetted, attempted, conspired, or solicited to commit murder or manslaughter of a child or child abuse homicide; or
- (e) the parent intentionally, knowingly, or recklessly causes the death of another parent of the child, without legal justification.

#### Section 48. Contingent effective date.

- (1) Except as provided in Subsection (2), this bill takes effect on May 8, 2018.
- 922 (2) The following sections take effect on July 1, 2019 or the day on which the
- Department of Agriculture and Food receives a federal waiver as described in Section
- 924 4-41-204, whichever comes first:

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| 925 | (a) Section 4-43-101;           |
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| 926 | (b) Section 4-43-102;           |
| 927 | (c) Section 4-43-201;           |
| 928 | (d) Section 4-43-202;           |
| 929 | (e) Section 4-43-203;           |
| 930 | (f) Section 4-43-301;           |
| 931 | (g) Section 4-43-401;           |
| 932 | (h) Section 4-43-402;           |
| 933 | (i) Section 4-43-501;           |
| 934 | (j) Section 4-43-502;           |
| 935 | (k) Section 4-43-503;           |
| 936 | (l) Section 4-43-601;           |
| 937 | (m) Section 4-43-602;           |
| 938 | (n) Section 4-43-701;           |
| 939 | (o) Section 4-43-702;           |
| 940 | (p) Section 4-43-703;           |
| 941 | (q) Section 4-43-801;           |
| 942 | (r) Section 26-62-101;          |
| 943 | (s) Section 26-62-102;          |
| 944 | (t) Section 26-62-103;          |
| 945 | (u) Section 26-62-201;          |
| 946 | (v) Section 26-62-202;          |
| 947 | (w) Section 41-6a-517;          |
| 948 | (x) Section 58-37-3.6;          |
| 949 | (y) Section <u>58-37f-203</u> ; |
| 950 | (z) Section 58-67-808;          |
| 951 | (aa) Section 58-68-808;         |
| 952 | (bb) Section 58-88-101          |
| 953 | (cc) Section 58-88-102;         |
| 954 | (dd) Section 58-88-103          |
| 955 | (ee) Section 58-88-104;         |
|     |                                 |

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| 956 | (ff) Section 59-12-104.8;      |
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| 957 | (gg) Section 59-29-101;        |
| 958 | (hh) Section 59-29-102;        |
| 959 | (ii) Section 59-29-103;        |
| 960 | (jj) Section 59-29-104;        |
| 961 | (kk) Section 59-29-105;        |
| 962 | (11) Section <u>59-29-106;</u> |
| 963 | (mm) Section <u>59-29-107;</u> |
| 964 | (nn) Section 59-29-108; and    |
| 965 | (oo) Section 78A-6-508.        |